UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/845,961	04/30/2001	Mark N. Selleck	SEL-1	4488

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EXAMINER
OYEBISI, OJO O

ART UNIT	PAPER NUMBER
3628	

DATE MAILED: 10/11/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

PTO-90C (Rev. 10/03)

	Application No.	Applicant(s)
Office Action Summary	09/845,961	SELLECK, MARK N.
	Examiner	Art Unit
	OJO O. OYEBISI	3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on <u>05/13/2005</u>.

2a)☐ This action is **FINAL**.   2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) <u>1-7</u> is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) <u>1-7</u> is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☒ The drawing(s) filed on <u>30 April 2005</u> is/are: a)☒ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☒ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
    Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____.

5)☐ Notice of Informal Patent Application (PTO-152)

6)☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 102

1.   The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that

form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

2.   Claim 1 is rejected under 35 U.S.C. 102(b) as being anticipated by applicant's

disclosure (see background of invention).

Re claim 1. The applicant discloses in the background of the invention a method

of trading instruments based on the price of assets over a global communications

network such as the Internet, comprising: establishing a plurality of instruments,

each comprising a transferable contract representing the price of a standardized

but non-deliverable quantity of a commodity, security, service or other asset;

establishing an Internet Web site operated by a data processing and page

serving system to operate as a virtual marketplace for the trading of said

instruments; receiving a bid at said Web site sent via the Internet from a first

trader to buy at least one of said instruments at a bid price, and an offer at said

Web site sent via the Internet from a second trader to sell at least one of said

instruments at an offer price, or vice versa; and automatically or by private

negotiation facilitating execution at said Web site a transaction for the purchase

and sale of at least one of said instruments when said bid price equals said offer

price (see background of invention, especially pg 4, last paragraph, also see pg

7, second paras).

Re claim 2. The applicant further discloses the method as stated supra in which

at least one of said traders is a market maker (i.e., in addition to individual

investors, there are market makers whose role would be rendered obsolete

because ECNs match and sell others automatically, see background of the

invention especially pg 4, last paragraph).

Claim Rejections - 35 USC § 103

3.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set
forth in section 102 of this title, if the differences between the subject matter sought to be patented and
the prior art are such that the subject matter as a whole would have been obvious at the time the
invention was made to a person having ordinary skill in the art to which said subject matter pertains.
Patentability shall not be negatived by the manner in which the invention was made.

4.   Claims 3-4 are rejected under 35 U.S.C. 103(a) as being unpatentable over

applicant's disclosure (see background of invention).

Re claim 3. It is not disclosed in the applicant's background of the invention the method in which each of said instruments is convertible into a second contract representing a deliverable quantity of and delivery terms for said asset. However, in light of the description of the stated method in the specification, the office asserts that this method is equivalent to a well-known offset method in futures market i.e., taking a second futures or options position opposite to the initial or opening position. Selling (or purchasing) futures contracts of the same delivery month purchased (or sold) during an earlier transaction or making (or taking) delivery of the cash commodity represented by the futures contract.

Re claim 4. The applicants further discloses in the background of the invention the method in which said second contract may be independently purchased or sold and facilitated and accounted for by said site in similar manner and relative to said price of said first contract (i.e., An online exchange like an ECN potentially offers the advantage of 24/7 trading, and highly available Internet-based market trading to all traders, and for **all assets classifiable as a commodity per se**, see pg 4, last paragraph).

5.   Claims 5-7 are rejected under 35 U.S.C. 103(a) as being unpatentable over

applicant's disclosure (see background of invention) in view of Rosen (U.S PAT

5,774,553).

Re claim 5. It is not disclosed in the applicant's background of the invention the

method in which each of said instruments is secured by electronic cash.

However, Rosen discloses the real-time exchange of electronic cash (i.e.,

electronic money). Thus, it would have been obvious to one of ordinary skill in

the art at the time of the invention to secure trading instruments by electronic

cash to provide for immediate exchange in transaction. Further, it is well-known

in the art that electronic cash is well suited to remote transfers across public

networks (i.e., internet), enabling value to be transferred to another by a transfer

of digital information. Thus, since most trading transactions are now conducted

electronically, it would have been obvious for trading parties to secure their

instruments by using electronic cash for the stated reasons above.

Re claim 6. The applicant discloses in the background of the invention a system

for trading contracts over a global communications network (i.e., online exchange

like ECN, see pg 4, last paragraph), comprising: a system for establishing,

storing, organizing, transmitting and displaying information (i.e., streamlined

processing of orders, see pg 4, last paragraph) for a plurality of transferable

eContracts, each eContract (i.e., An online exchange like an ECN potentially

offers the advantage of 24/7 trading, use of modern financial tools (like trading

futures and options contracts as well as the new eContracts, dContracts, and

oContracts), see pg 4, last paragraph) having a variable price and representing

the price of a non-deliverable quantity of a commodity, security, service or other

asset and each eContract further being guaranteed or paid for by said eCash

units; a system for establishing, storing, organizing, transmitting and displaying

information (i.e., streamlined processing of orders) for a plurality of dContracts,

each dContract (i.e., An online exchange like an ECN potentially offers the

advantage of 24/7 trading, use of modern financial tools (like trading futures and

options contracts as well as the new eContracts, dContracts, and oContracts)

having a price and representing a deliverable quantity of and delivery terms for a

commodity, security, service or other asset and each dContract further being

guaranteed or paid for by said eCash units; a system for establishing, storing,

organizing, transmitting and displaying information (i.e., streamlined processing

of orders) for a plurality of transferable oContracts, each oContract having a price

and representing an option to buy or sell one or more of said eContracts, and

each oContract (i.e., An online exchange like an ECN potentially offers the

advantage of 24/7 trading, use of modern financial tools (like trading futures and

options contracts as well as the new eContracts, dContracts, and oContracts)

further being guaranteed or paid for by said eCash units; a system operated

through an Internet Web site for receiving and automatically facilitating (i.e.,

match up buy and sell orders automatically, see especially pg 4, last paragraph),

calculating, executing, and recording buy and sell orders (i.e., streamlined

processing of orders)in a trading forum for the purchase and sale of said

eContracts, dContracts and oContracts, according to terms of private negotiation

or on an odd-lot basis first and then on a first-in, first-out basis, so as to facilitate

and account for trades and establish a marketplace for said eContracts,

dContracts and oContracts over a global communications network. It is not

disclosed in the background of the invention a system for displaying the results of

said trades remotely in real time. a system for establishing a plurality of eCash

units, each eCash unit representing a trading credit guaranteed in advance by

physical or bank-guaranteed cash or credit, and each eCash unit being stored in

a trading account ; a system for automatically and continuously settling said

trades; a system for automatically and continuously crediting and debiting said

trading accounts concurrently with said settling. However, Rosen makes this

disclosure (see abstract, see summary of invention, also see col.17, lines 35-65).

It is neither disclosed in the background of the invention nor taught by rosen a

system for converting eContracts into dContracts at the discretion of owners of

said eContracts who wish to take delivery of said commodity, security, service or other asset underlying said eContracts. However, the office asserts that this method is equivalent to a well-known offset method in futures market i.e., taking a second futures or options position opposite to the initial or opening position. Selling (or purchasing) futures contracts of the same delivery month purchased (or sold) during an earlier transaction or making (or taking) delivery of the cash commodity represented by the futures contract. Thus, it would have been obvious to one of ordinary skill In the art to combine online electronic exchange (i.e., ECN) disclosed in the applicant's background of the invention with Rosen to facilitate immediate exchange in transaction and to reduce online transaction settlement risk.

Re claim 7. Claim 7 recites similar limitations to claim 6, and thus rejected using the same art and rationale in the rejection of claim 6.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to OJO O. OYEBISI whose telephone number is (571) 272-8298. The examiner can normally be reached on 8:30A.M-5:30P.M.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, HYUNG S. SOUGH can be reached on (571)272-6799. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

HYUNG SOUGH
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER